

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Financial Statements

Year Ended December 31, 2025

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

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Year Ended December 31, 2025

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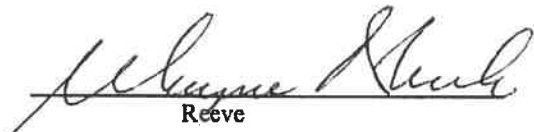
Management's Responsibility

The municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgements and estimates by management is required.

In discharging its responsibilities for the integrity and fair presentation of the consolidated financial statements, management designs and maintains the necessary accounting, budget, and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Council is composed of elected officials who are not employees of the municipality. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the municipality's external auditors.

Ingram and Yeadon Accountants, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.


Reeve


Administrator

INDEPENDENT AUDITOR'S REPORT

To the Council of Rural Municipality of Barrier Valley No 397

Opinion

We have audited the financial statements of Rural Municipality of Barrier Valley No.397 (the "organization"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, changes in accumulated surplus, changes in net financial assets (debt), remeasurement gains and losses, and cash flows for the year then ended, and notes and schedules to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Melfort, Saskatchewan
March 19, 2026

Ingram & Yeadon Accountants

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

**Consolidated Statement of Financial Position
Statement 1**

As at December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and Cash Equivalents <i>(Note 2)</i>	\$ 1,958,777	\$ 1,496,600
Investments <i>(Note 3)</i>	114,283	50,000
Taxes Receivable - Municipal <i>(Note 4)</i>	106,223	89,584
Other Accounts Receivable <i>(Note 6)</i>	49,382	568,798
Long-Term Receivable <i>(Note 8)</i>	77,651	67,123
Total Financial Assets	2,306,316	2,272,105
LIABILITIES		
Accounts Payable	9,573	97,874
Accrued Landfill Costs	-	290,996
Deferred Revenue <i>(Note 10)</i>	4,902	5,552
Rounding	-	1
Other Liabilities	11,050	11,050
Total Liabilities	25,525	405,473
NET FINANCIAL ASSETS (DEBT)	2,280,791	1,866,632
NON-FINANCIAL ASSETS		
Tangible Capital Assets <i>(Schedule 6, 7)</i>	4,433,521	4,605,398
Prepayments and Deferred Charges	2,374	2
Stock and Supplies	388,526	348,116
	4,824,421	4,953,516
ACCUMULATED SURPLUS (DEFICIT)	\$ 7,105,212	\$ 6,820,148
Accumulated surplus is comprised of:		
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) <i>(Schedule 10)</i>	\$ 7,105,212	\$ 6,820,148
Accumulated remeasurement gains (losses) <i>(Statement 5)</i>	-	-
	\$ 7,105,212	\$ 6,820,148

Contractual Obligations and Commitments

The accompanying notes and schedules are an integral part of these statements.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Consolidated Statement of Operations

Statement 2

As at December 31, 2025

	Budget 2025	2025	2024
REVENUES			
Taxes Revenue <i>(Schedule 1)</i>	\$ 983,185	\$ 979,592	\$ 920,214
Other Unconditional Revenue <i>(Schedule 1)</i>	293,262	293,294	277,496
Fees and Charges <i>(Schedule 4, 5)</i>	87,100	123,075	135,012
Conditional Grants <i>(Schedule 4, 5)</i>	28,075	22,804	33,746
Tangible Capital Assets Sales - Gain <i>(Schedule 4, 5)</i>	10,000	(14,145)	27,523
Investment Income <i>(Schedule 4, 5) (Note 3)</i>	50,000	52,995	81,016
Other Revenues <i>(Schedule 4, 5)</i>	-	88,492	487,896
Provincial/Federal Capital Grants and Contributions <i>(Schedule 4, 5)</i>	75,792	93,767	240,624
Total Revenues	<u>1,527,414</u>	<u>1,639,874</u>	<u>2,203,527</u>
	1,527,414	1,639,874	2,203,527
EXPENSES			
General Government Services <i>(Schedule 3)</i>	292,052	295,098	248,979
Protective Services <i>(Schedule 3)</i>	44,030	135,388	160,475
Transportation Services <i>(Schedule 3)</i>	952,930	820,292	835,859
Environment & Public Health Services <i>(Schedule 3)</i>	41,573	26,130	31,094
Planning & Development Services <i>(Schedule 3)</i>	-	10,306	2,887
Recreation & Cultural Services <i>(Schedule 3)</i>	60,934	67,026	57,134
Utility Services <i>(Schedule 3)</i>	75,510	572	480
Rounding	-	(2)	1
	<u>1,467,029</u>	<u>1,354,810</u>	<u>1,336,909</u>
Annual Surplus (Deficit) of Revenues over Expenses	60,385	285,064	866,618
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), Beginning of Year	<u>6,820,148</u>	<u>6,820,148</u>	<u>5,953,530</u>
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year	<u>\$ 6,880,533</u>	<u>\$ 7,105,212</u>	<u>\$ 6,820,148</u>

The accompanying notes and schedules are an integral part of these statements.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397**Consolidated Statement of Change in Net Financial Assets
Statement 3****As at December 31, 2025**

	Budget 2025	2025	2024
Annual Surplus (Deficit) of Revenues over Expenses	\$ 60,385	\$ 285,064	\$ 866,618
(Acquisition) of tangible capital assets	-	(101,040)	(1,251,652)
Amortization of tangible capital assets	234,780	236,172	197,923
Amortization of intangible capital assets	-	-	-
Proceeds on disposal of tangible capital assets	-	22,600	72,142
Loss (gain) on the disposal of tangible capital assets	-	14,145	(27,523)
Proceeds on disposal of intangible capital assets	-	-	-
Loss (gain) on the disposal of intangible capital assets	-	-	-
Surplus (Deficit) of capital expenses over expenditures	234,780	171,877	(1,009,110)
Consumption (Acquisition) of supplies inventory	-	(40,410)	65,544
Use (Acquisition) of prepaid expense	-	(2,373)	957
Rounding	-	1	-
	234,780	129,095	(942,609)
Increase/Decrease in Net Financial Assets	295,165	414,159	(75,991)
Net Financial Assets (Debt) - Beginning of Year	-	1,866,632	1,942,623
Net Financial Assets (Debt) - End of Year	\$ 295,165	\$ 2,280,791	\$ 1,866,632

The accompanying notes and schedules are an integral part of these statements.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397**Consolidated Statement of Cash Flows****Statement 4****As at December 31, 2025**

	2025	2024
Operating:		
Annual Surplus (Deficit) of Revenues over Expenses	\$ 285,064	\$ 866,618
Amortization of tangible capital assets	236,172	197,923
Loss (Gain) on disposal of tangible capital assets	14,145	(27,523)
	<u>535,381</u>	<u>1,037,018</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	(16,639)	494
Other Receivables	519,416	152,774
Other Financial Assets	(10,528)	(6,124)
Accounts and Accrued Liabilities Payable	(379,297)	(172,172)
Deferred Revenue	(650)	(7,965)
Stock and Supplies	(40,410)	65,544
Prepayments and Deferred Charges	(2,372)	957
Rounding	(1)	1
	<u>69,519</u>	<u>33,509</u>
Cash provided by operating transactions:	<u>604,900</u>	<u>1,070,527</u>
Capital and Investing:		
Capital:		
Acquisition of capital assets	(101,040)	(1,251,652)
Proceeds from the disposal of capital assets	22,600	72,142
Investing:		
Cash provided by (applied to) capital and investing:	<u>(78,440)</u>	<u>(1,179,510)</u>
Financing:		
Other financing	<u>-</u>	<u>-</u>
Change in Cash and Cash Equivalents	526,460	(108,983)
Cash and Cash Equivalents - Beginning of Year	<u>1,546,600</u>	<u>1,655,583</u>
Cash and Cash Equivalents - End of Year	\$ 2,073,060	\$ 1,546,600
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash and Cash Equivalents	\$ 1,958,777	\$ 1,496,600
Term deposits	114,283	50,000
Less: restricted portion of cash and cash equivalents	<u>-</u>	<u>-</u>
	<u>\$ 2,073,060</u>	<u>\$ 1,546,600</u>

The accompanying notes and schedules are an integral part of these statements.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Consolidated Statement of Remeasurement Gains and Losses (Statement 5)

As at December 31, 2025

	Budget 2025	2025	2024
Accumulated remeasurement gains (losses) at the beginning of the year:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Unrealized gains (losses) attributable to:			
Derivatives	-	-	-
Equity Investments measured at fair value	-	-	-
Foreign exchange	-	-	-
Amounts reclassified to the Statement of Operations:			
Derivatives	-	-	-
Equity Investments measured at fair value	-	-	-
Reversal of net remeasurements of portfolio investments	-	-	-
Foreign exchange	-	-	-
Net remeasurement gains (losses) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated remeasurement gains (losses) at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes and schedules are an integral part of these statements.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Notes to Financial Statements

As at December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the municipality have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the municipality are as follows:

Basis of Accounting: The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable and expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

(a) Reporting Entity:

The consolidated financial statements consolidate the assets, liabilities, and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

Entities included in these consolidated financial statements are as follows:

Entity #1: Fire Protective Services

The RM of Barrier Valley controls 70% of the entity and the Village of Archerwill controls 30%.

The Fire Protective Services is fully consolidated into the financial statement.

30% of the reserve is attributable to the Village of Archerwill.

All inter-organizational transactions and balances have been eliminated.

Partnerships: A partnership represents a contractual arrangement between the municipality and a party or parties outside the reporting entity. The partners have significant, clearly defined common goals, make a financial investment in the partnership, share control of decision making, and share, on an equitable basis, the significant risks and benefits associated with the operations of the partnership.

There are no partnerships in these financial statements.

(b) Collection of Funds for Other Authorities:

Collection of funds by the municipality for school boards, municipal hail, and conservation and development authorities are collected and remitted in accordance with relevant legislation.

(c) Government Transfer:

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:

- a) the transfers are authorized;
- b) any eligibility criteria and stipulations have been met; and
- c) reasonable estimates of the amounts can be made.

Unearned government transfer amounts received will be recorded as deferred revenue until eligibility criteria or stipulations are met.

Earned government transfer amounts not received will be recorded as an amount receivable.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

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RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Notes to Financial Statements

As at December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Other (Non-Government Transfer) Contributions:

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the municipality if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

(e) Revenue

For revenue items with no related performance obligations, revenue is recorded using the accrual method of accounting.

For revenue items with related performance obligations, revenue is recorded using the accrual method of accounting.

Contracts are recorded as revenue as the service or contract activity is performed, provided that at the time of performance ultimate collection is reasonably assured. If payment is not received at the time the service or contract activity is performed, accounts receivable will be recorded.

When a single transaction requires the delivery of more than one performance obligation, the revenue recognition criteria are applied to the separately identifiable performance obligations. A performance obligation is considered to be separately identified if the product or service delivered has stand-alone value to that customer and the fair value associated with the product or service can be measured reliably. The amount recognized as revenue for each performance obligation is its fair value in relation to the fair value of the contract as a whole.

For each performance obligation, the municipality must ascertain whether the obligation is satisfied over a period of time, or at a point in time. In order to do this, the characteristics of the underlying goods and/or services must be considered in order to determine when the ultimate performance obligations will be satisfied. If any of the below criteria are met, the revenue must be recognized over a period of time; otherwise, corresponding amounts are to be recognized at a point in time.

- a) The payor simultaneously receives and consumes the benefits provided by the municipality's performance as they fulfil the performance obligation
- b) The municipality's performance creates or enhances an asset (for example, work in progress) that the payor controls or uses as the asset is created or enhanced
- c) The municipality's performance does not create an asset with an alternative use to itself, and the municipality has an enforceable right to payment for performance completed to date
- d) The municipality is expected to continually maintain or support the transferred good or service under the terms of the agreement
- e) The municipality provides the payor with access to a specific good or service under the terms of the agreement

When determining the amounts of revenue to recognize at various stages along the point of time, determinants vary but often include percentage complete.

Deferred Revenue: Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.

(f) Local Improvement Charges:

Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

(continues)

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Notes to Financial Statements

As at December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Net Financial Assets:

Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

(h) Non-financial Assets:

Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

(i) Appropriated Reserves:

Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 10.

(j) Property Tax Revenue:

Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

(k) Financial Instruments:

Financial Instruments: Derivative and equity instruments that are quoted in an active market are carried at fair value. All other financial instruments are measured at cost/amortized cost; financial assets measured at amortized cost are recognized initially net of transaction costs with interest income recognized using the effective interest rate method. Impairment losses are recognized in the statement of operations when there is an other than temporary decline in value.

Interest and dividends attributable to financial instruments are reported in the statement of operations. Unrealized gains and losses are recognized in the statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the statement of operations.

Long-term debt: Long-term debt is initially recognized net of premiums, discounts, and transaction costs and is measured at amortized cost with interest expense recognized using the effective interest rate method.

Long-term receivables: Receivables with terms longer than one year have been classified as other long-term receivables.

Measurement of Financial Instruments:

The municipalities financial assets and liabilities are measured as follows:

Cash & Cash Equivalents	= Cost and amortized cost
Investments	= Fair value and cost/amortized cost
Other Accounts Receivable	= Cost and amortized cost
Long term receivables	= Amortized cost
Debt Charges Recoverable	= Amortized cost
Bank Indebtedness	= Amortized cost
Accounts payable and accrued liabilities	= Cost
Deposit liabilities	= Cost
Long-Term Debt	= Amortized cost
Derivative Assets and Liabilities	= Fair value

(continues)

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Notes to Financial Statements

As at December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(l) Inventory

Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials, and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.

(m) Tangible Capital Assets:

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant deflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost of these tangible capital assets less any residual value are amortized over the estimated useful life of the asset, using the straight-line method. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use. The municipality's tangible capital asset useful lives are estimated as follows:

General Assets

Land:	useful life = indefinite
Land Improvements:	useful life = 15 years
Buildings:	useful life = 40 years
Vehicles:	useful life = 10 years
Machinery and Equipment:	useful life = 6 to 15 years
Office and Information Technology:	useful life = 5 to 10 years

Infrastructure Assets

Water and Sewer:	useful life = 40 years
Road Network Assets:	useful life = 40 years
Other Infrastructure Assets:	useful life = 15 years

Government Contributions: Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

Works of Art: Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made.

Capitalization of Interest: The municipality does not capitalize interest incurred while a tangible capital asset is under construction.

Leases: All leases are recorded on the consolidated financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as a tangible capital asset. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a straight-line basis, over their estimated useful lives. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

(n) Public Private Partnerships

Public private partnerships where the municipality procures infrastructure using a private sector partner are accounted for and reported as infrastructure assets on the Statement of Financial Position and are initially recognized at cost. Cost includes the gross amount of consideration given up to acquire, construct, develop or better a tangible capital asset; and all costs directly attributable to the acquisition, construction, development or betterment of the infrastructure asset. Infrastructure assets are amortized over the assets useful life and recognized as an expense in the Statement of Operations.

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1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

When the municipality has recognized an infrastructure asset in relation to a public private partnership arrangement and has an obligation to provide consideration to the private sector partner, the municipality recognizes a corresponding infrastructure liability on the Statement of Financial Position. Infrastructure liabilities are initially measured at the same amount as the related infrastructure asset, reduced for any consideration previously provided to the public sector partner. Other consideration attributable to the partnership agreement such as operating and maintenance payments are excluded from the measurement of the liability. Two common models used to measure infrastructure liabilities are the financial liability and user pay models. The financial liability model is utilized when the municipality designs, builds, finances, operates and/or maintains infrastructure in exchange for a contractual right to receive cash or another asset. The reason for this being that the corresponding liability constitutes a financial liability. The user pay model is applicable when the private sector partner designs, buildings, finances, operates and/or maintains the infrastructure in exchange for a right to charge the ultimate end users. This compensation granted by the municipality is facilitated via the granting of rights to earn revenue from a third party. Due to such, the corresponding liability should be classified as a performance obligation.

The municipality has not entered into any Public Private Partnerships.

(o) Trust funds

Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the municipality.

There are no trust funds administered by the municipality.

(p) Employee Benefit Plans

Contributions to the municipality's multi-employer defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.

(q) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- a) an environmental standards exists;
- b) contamination exceeds the environmental standard;
- c) the municipality:
 - i) is directly responsible; or
 - ii) accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

(r) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Measurement uncertainty impacts the following financial statement areas:

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies are based on estimates of volume and quality.

(continues)

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Notes to Financial Statements

As at December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The 'Opening Asset costs' of tangible capital assets have been estimated where actual costs were not available.

Amortization is based on the estimated useful lives of tangible capital assets.

The liability associated with asset retirement obligations are measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date, the discount rate, and inflation.

Measurement financial instruments at fair value and recognition and measurement of impairment of financial instruments requires the use of significant management estimates.

The values associated with the initial recognition and impairment tests of intangible capital assets involve significant estimates and assumptions, including those with respect to future cash inflows and outflows, discount rates and asset lives.

These determinations will affect the amount of amortization expense on intangible capital assets recognized in future periods. Management assesses impairment by comparing the recoverable amount of an intangible capital asset with its carrying value. The determination of the recoverable amount involves significant estimation by management.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

(s) Basis of Segmentation/Segment Report:

The municipality follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

Protective Services: Comprised of expenses for Police and Fire protection.

Transportation Services: Responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and Public Health: The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the municipality.

Planning and Development: Provides for neighbourhood development and sustainability.

Recreation and Culture: Provides for community services through the provision of recreation and leisure services.

Utility Services: Provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

(t) Budget Information:

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on March 20, 2025.

(u) Assets Held for Sale:

The municipality is committed to selling the asset, the asset is in a condition to be sold, the asset is publicly seen to be for sale, there is an active market for the asset, there is a plan in place for selling the asset, and the sale is reasonably anticipated to be completed within one year of the financial statement date.

(continues)

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Notes to Financial Statements

As at December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(v) Asset Retirement Obligation:

Asset Retirement Obligations represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use. The tangible assets include but are not limited to assets in productive use, assets no longer in productive use, leased tangible capital assets.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the municipality to incur costs in relation to a specific TCA, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the municipality derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

(w) Loan Guarantees:

The municipality can provide loan guarantees for various organizations, which are not consolidated as part of the municipality's Statements. As the guarantees represent potential financial commitments for the municipality, these amounts are considered as contingent liabilities and not formally recognized as liabilities until the municipality considers it likely for the borrower to default on its obligation and the amount of the liability can be estimated. The municipality monitors the status of the organizations, loans, and lines of credit annually and in the event that payment by the municipality is likely to occur, a provision will be recognized in the Statements.

The municipality has not provided any loan guarantees during this reporting period.

(x) New Accounting Policies Adopted During the Year:

PS 3400, Revenue, a new standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer. This section may be applied retroactively or prospectively.

PSG-8, Purchased Intangibles, provides guidance on accounting for and reporting on purchased intangible capital assets. It provides clarity on the recognition criteria, along with instances of assets that would not meet the definition of such. Application may be made either retroactively or prospectively in accordance with PS 2120 Accounting Changes.

PS 3160, Public private partnerships, a new standard establishing guidance on how to account for and report on partnerships between public and private sector entities. Specifically those in which the entity in the public sector procures infrastructure in conjunction with a private sector entity. In these scenarios the private sector entity must have obligations to design, build, acquire or improve existing infrastructure. Furthermore they must also finance the transaction past the point in which the asset is initially ready for use along with operating and/or maintaining such on an ongoing basis. The standard may be applied either retroactively (with or without prior period restatement) or prospectively.

(continues)

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Notes to Financial Statements

As at December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

New Accounting Policies Adopted During the Year: *(continued)*

Prospective application: During the year, the municipality will adhere to the above accounting policies. The municipality now accounts for revenue using accrual method prospectively. Purchased intangibles and public private partnerships will be accounted for prospectively in accordance with the new standards.

2. CASH AND CASH EQUIVALENTS

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	<u>\$ 1,958,777</u>	<u>\$ 1,496,600</u>

Cash and cash equivalents includes balances with banks and short-term deposits with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

3. INVESTMENTS

	<u>2025</u>	<u>2024</u>
<u>Investments carried at cost</u>		
Term deposits	<u>\$ 114,283</u>	<u>\$ 50,000</u>

The Municipality holds term deposits at 2.85% maturing in December 2026. The accrued interest on these terms is represented in Note 6 Accounts Receivable.

Investment Income

Interest	\$ 48,391	\$ 80,634
Dividends	<u>1,169</u>	<u>44</u>
	<u>\$ 49,560</u>	<u>\$ 80,678</u>

Unrealized gains on equity investments carried at fair value of [\$nil (Prior - \$nil)] have been recognized in the statement of remeasurement gains and losses.

4. TAXES RECEIVABLE - MUNICIPAL

	<u>2025</u>	<u>2024</u>
<u>Municipal</u>		
Current	\$ 88,529	\$ 64,660
Arrears	<u>21,782</u>	<u>29,012</u>
	110,311	93,672
Less Allowance for Uncollectible	<u>(4,088)</u>	<u>(4,088)</u>
Total municipal taxes receivable	<u>\$ 106,223</u>	<u>\$ 89,584</u>

5. TAXES RECEIVABLE - OTHER

	<u>2025</u>	<u>2024</u>
<u>School</u>		
Current	27,848	26,435
Arrears	<u>8,087</u>	<u>10,817</u>

(continues)

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Notes to Financial Statements

As at December 31, 2025

5. TAXES RECEIVABLE - OTHER <i>(continued)</i>		
Other		
Other tax authorities receivable	2,853	3,800
Total taxes and grants in lieu receivable to be collected on behalf of other organizations	\$ 38,788	\$ 41,052

6. OTHER ACCOUNTS RECEIVABLE	2025	2024
Federal Government	\$ 22,378	\$ 92,233
Provincial Government	7,299	386,286
Local Government	2,262	5,560
Trade	15,167	81,997
Other - Accrued interest receivable	2,277	2,721
Net Other Accounts Receivable	\$ 49,383	\$ 568,797

7. ASSETS HELD FOR SALE	2025	2024
Tax Title Property	\$ 474	\$ 474
Allowance for market value adjustment	(474)	(474)
Net Tax Title Property	-	-
Net Other Land	-	-
Total Assets Held for Sale	\$ -	\$ -

8. LONG-TERM RECEIVABLES	2025	2024
SARM Self-Insurance	\$ 77,651	\$ 67,123

9. BANK INDEBTEDNESS
The municipality does not have any operating loans or lines of credit.

10. DEFERRED REVENUE	2025	2024
Prepaid taxes	\$ 4,902	\$ 5,552

11. LONG TERM DEBT

a) The debt limit of the municipality is \$994,243. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the Municipalities Act section 161(1)).

	2025	2024

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Notes to Financial Statements

As at December 31, 2025

12. CONTINGENT LIABILITY

The municipality is contingently liable under terms of the Saskatchewan Association of Rural Municipalities Self-Insurance Plan for its proportionate share of claims and future claims in excess of the Plan's reserve fund.

13. PENSION PLAN

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2025 was \$23,371. The benefits accrued to the municipality's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate.

The employees of the municipality contribute 9% (2024 - 9%) of their wages to the plan, and the municipality matches all employee contributions. Total current service contributions by the municipality to the MEPP in 2025 were \$23,371 (2024 - \$19,323). Total current service contributions by the employees of the municipality to the MEPP in 2025 were \$23,371 (2024 - \$19,323).

Based on the latest information available (December 31, 2024) MEPP had a surplus in net assets available for benefits of \$4,059,044 and a reported a surplus of \$1,519,648; the municipalities portion of this is not readily determinable.

For further information of the amount of MEPP deficiency/surplus information see: <https://mepp.peba.ca/fund-information/plan-reporting>.

14. RISK MANAGEMENT

The municipality is exposed to various risks through its financial assets and liabilities. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2025.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through interest rates on term deposits.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

15. ICIP GRANT

Investing in Canada Infrastructure Program grant for the landfill project that will extend over multiple fiscal years. The grant receivable is included in Provincial Grant Receivable in Note 6.

	<u>2025</u>	<u>2024</u>
<u>Landfill project</u>		
Opening Receivable	\$ 224,618	\$ 635,505
ICIP submitted funding	-	-
ICIP disbursements received	<u>(11,436)</u>	<u>(410,887)</u>
Subtotal	213,182	224,618
Adjustment to record 2023 ICIP disbursement received	(19,654)	-
Adjustment to clear unused balance of grant receivable due to project being under-budget	<u>(193,528)</u>	-

(continues)

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Notes to Financial Statements

As at December 31, 2025

15. ICIP GRANT *(continued)*

	<u>2025</u>	<u>2024</u>
<u>Landfill project</u>		
Landfill project receivable	-	224,618

Investing in Canada Infrastructure Program grant for the lagoon project that will extend over multiple fiscal years. The grant receivable is included in Provincial Grant Receivable in Note 6.

<u>Lagoon project</u>		
Opening Receivable	152,287	-
ICIP submitted funding	49,346	152,287
ICIP disbursements received	<u>(176,180)</u>	<u>-</u>
Subtotal	25,453	152,287
Adjustment to 2023 ICIP submitted funding recorded	(25,651)	-
Adjustment to 2025 ICIP disbursements received	<u>198</u>	<u>-</u>
Lagoon project receivable	-	152,287
Grand total	<u>\$ -</u>	<u>\$ 376,905</u>

Total ICIP revenue reported in 2025 statement of income and expenses \$49,542.

Total ICIP Government Funding received in 2025 \$187,616.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Schedule of Taxes and Other Unconditional Revenue

(Schedule 1)

As at December 31, 2025

	Budget 2025	2025	2024
TAXES			
General municipal tax levy	1,008,485	1,004,857	944,109
Abatements and adjustments	-	(461)	-
Discounts on current year taxes	(45,000)	(45,539)	(44,795)
Net municipal taxes	963,485	958,857	899,314
Trailer license fees	8,000	8,419	8,319
Penalties on tax arrears	5,000	6,042	6,652
Total Taxes	976,485	973,318	914,285
UNCONDITIONAL GRANTS			
Revenue sharing	293,262	293,294	277,496
GRANTS IN LIEU OF TAXES			
Federal			
Provincial			
GIL - Prov -SK TEL	1,200	986	1,145
GIL - Prov - Fish and Wildlife	5,500	5,288	4,784
Local/Other			
Other Government Transfers			
Total Grants in Lieu of Taxes	6,700	6,274	5,929
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 1,276,447	\$ 1,272,886	\$ 1,197,710

The accompanying notes and schedules are an integral part of these statements.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Schedule of Operating and Capital Revenue by Function

(Schedule 2)

As at December 31, 2025

	Budget 2025	2025	2024
GENERAL GOVERNMENT			
Operating			
- Sale of supplies	500	2,550	1,690
- Other F&C: Tax certificates, TE costs, etc.	1,400	4,752	4,434
- Investment income	50,000	49,560	80,678
- Other: STD refunds	-	-	15,189
- Conditional grant: Other: SARM internship	15,575	15,583	-
Capital			
Total General Government Services	67,475	72,445	101,991
PROTECTIVE SERVICES			
Operating			
- Other F&C: Fire calls, Fire levies	-	33,512	8,150
- Tangible capital asset sales - gain (loss)	-	(14,900)	-
- Investment income	-	3,435	338
- Other: Donations, fundraising	-	43,085	472,635
- Conditional grant: Other: Wildfire Day	-	500	-
Capital			
Total Protective Services	-	65,632	481,123
TRANSPORTATION SERVICES			
Operating			
- Custom work	23,000	28,042	24,828
- Sale of supplies	1,000	1,578	29,974
- Road maintenance and restoration agreements	45,000	31,482	37,348
- Other: Equipment rentals	15,000	4,440	22,881
- Tangible capital asset sales - gain (loss)	10,000	755	25,935
- Conditional grant: Other: Traffic Count, TSS	8,500	1,370	28,992
Capital			
- Canada Community-Building Fund (CCBF)	14,792	30,216	28,628
- Local Government	-	8,500	35,000
- Other: New Horizon	-	-	19,200
Total Transportation Services	117,292	106,383	252,786
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
- Other F&C: Lagoon fees, cemetery fees	400	1,139	850
- Other: Contributed capital, Expense recovery	-	45,268	-
- Conditional grant: Other: WSA, RCP, BCP	4,000	3,381	4,754
Capital			
- ICIP (Note 15)	55,500	49,543	152,287
- Other: MMSW	5,500	5,509	5,509
Total Environmental and Public Health Services	65,400	104,840	163,400

The accompanying notes and schedules are an integral part of these statements.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Schedule of Operating and Capital Revenue by Function (continued)

(Schedule 2)

As at December 31, 2025

	Budget 2025	2025	2024
PLANNING AND DEVELOPMENT SERVICES			
Operating			
- Other F&C: Building permit fees, Lease fees, Cash in lieu of MR	800	13,878	4,856
Capital			
Total Planning and Development Services	800	13,878	4,856
RECREATION AND CULTURAL SERVICES			
Operating			
- Tangible capital asset sales - gain (loss)	\$ -	\$ -	\$ 1,588
- Other: Donations	-	140	72
Capital			
Total Recreation and Cultural Services	\$ -	\$ 140	\$ 1,660
UTILITY SERVICES			
Operating			
- Sewer charges	\$ -	\$ 1,700	\$ -
Capital			
Total Utility Services	\$ -	\$ 1,700	\$ -
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 250,967	\$ 366,989	\$ 1,005,817
SUMMARY			
Total Other Segmented Revenue	\$ 147,100	\$ 250,418	\$ 731,447
Total Conditional Grants	28,075	22,804	33,746
Total Capital Grants and Contributions	75,792	93,767	240,624
Rounding	-	-	-
TOTAL REVENUE BY FUNCTION	\$ 250,967	\$ 366,989	\$ 1,005,817

The accompanying notes and schedules are an integral part of these statements.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Total Expenses by Function

(Schedule 3)

As at December 31, 2025

	Budget 2025	2025	2024
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	29,025	27,820	23,876
Wages and benefits	162,387	161,065	129,842
Professional/Contractual services	72,185	82,094	65,303
Utilities	7,225	6,839	6,610
Maintenance, materials and supplies	19,600	15,600	21,718
Grants and contributions - operating	1,000	1,050	1,000
Amortization of Tangible Capital Assets	630	630	630
Total General Government Services	292,052	295,098	248,979
PROTECTIVE SERVICES			
Police protection			
Professional/Contractual services	29,000	29,378	28,691
Fire protection			
Wages and benefits	-	10,994	1,775
Professional/Contractual services	530	32,145	4,878
Utilities	-	10,634	9,700
Maintenance, materials and supplies	500	41,346	115,431
Grants and contributions - operating	14,000	-	-
Amortization of Tangible Capital Assets	-	10,891	-
Total Protective Services	44,030	135,388	160,475
TRANSPORTATION SERVICES			
Wages and benefits	217,729	219,529	219,267
Professional/Contractual services	60,775	46,221	70,687
Utilities	17,810	13,774	16,434
Maintenance, materials and supplies	331,800	240,222	261,110
Gravel	101,300	80,555	75,013
Amortization of Tangible Capital Assets	223,516	219,991	193,348
Total Transportation Services	952,930	820,292	835,859
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Professional/Contractual services	20,845	20,240	16,005
Maintenance, materials and supplies	14,500	4,265	15,089
Grants and contributions - operating	-	-	-
Grants and contributions - capital	-	-	-
Amortization of Tangible Capital Assets	6,228	1,625	-
Total Environmental and Public Health Services	41,573	26,130	31,094

The accompanying notes and schedules are an integral part of these statements.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Total Expenses by Function (continued)

(Schedule 3)

As at December 31, 2025

	Budget 2025	2025	2024
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	-	8,139	2,887
Grants and contributions - operating	-	100	-
Other: Application fees	-	2,067	-
Total Planning and Development Services	-	10,306	2,887
RECREATION AND CULTURAL SERVICES			
Professional/Contractual services	46,500	53,963	43,232
Grants and contributions - operating	10,028	10,028	9,957
Amortization of Tangible Capital Assets	4,406	3,035	3,945
Total Recreation and Cultural Services	60,934	67,026	57,134
UTILITY SERVICES			
Professional/Contractual services	75,000	45	-
Maintenance, materials and supplies	510	527	480
	75,510	572	480
Total Utility Services	75,510	572	480
TOTAL EXPENSES BY FUNCTION	\$ 1,467,029	\$ 1,354,212	\$ 1,336,908

The accompanying notes and schedules are an integral part of these statements.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397
Consolidated Schedule of Segment Disclosure by Function
As at December 31, 2025

(Schedule 4)

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total 2025
Revenues (Schedule 2)								
Fees and Charges	\$ 7,302	\$ 33,512	\$ 65,543	\$ 1,140	\$ 13,878	\$ -	\$ 1,700	\$ 123,075
Tangible Capital Asset Sales - Gain	-	(14,900)	755	-	-	-	-	(14,145)
Investment Income	49,560	3,435	-	-	-	-	-	52,995
Other Revenues	-	43,085	-	45,268	-	140	-	88,493
Grants - Conditional	15,583	500	1,370	3,381	-	1,970	-	22,804
Grants - Capital	-	-	38,716	55,052	-	-	-	93,768
Total Revenues	72,445	65,632	106,384	104,841	13,878	2,110	1,700	366,990
Expenses (Schedule 3)								
Wages and benefits	188,885	10,994	219,529	-	-	-	-	419,408
Professional/Contractual services	82,094	61,522	46,221	20,240	8,139	53,963	45	272,224
Utilities	6,839	10,635	13,774	-	-	-	-	31,248
Maintenance, materials and supplies	15,600	41,346	320,777	4,265	-	-	527	382,515
Grants and contributions	1,050	-	-	-	100	10,028	-	11,178
Amortization of Tangible Capital Assets	630	10,891	219,991	1,625	-	3,035	-	236,172
Other	-	-	-	-	2,067	-	-	2,067
Total Expenses	295,098	135,388	820,292	26,130	10,306	67,026	572	1,354,812
Surplus (Deficit) by Function	\$ (222,653)	\$ (69,756)	\$ (713,908)	\$ 78,711	\$ 3,572	\$ (64,916)	\$ 1,128	\$ (987,822)
			2025					
Surplus (Deficit) by Function			\$ (987,822)					
Taxes and other unconditional revenue (Schedule 1)			1,272,886					
Rounding			-					
Net Surplus (Deficit)			\$ 285,064					

The accompanying notes and schedules are an integral part of these statements.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397
Consolidated Schedule of Segment Disclosure by Function
As at December 31, 2024

(Schedule 5)

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total 2024
Revenues (Schedule 2)								
Fees and Charges	\$ 6,124	\$ 8,150	\$ 115,032	\$ 850	\$ 4,856	\$ -	\$ -	\$ 135,012
Tangible Capital Assets Sales - Gain	-	-	25,935	-	-	1,588	-	27,523
Investment Income	80,678	338	-	-	-	-	-	81,016
Other Revenues	15,189	472,635	-	-	-	72	-	487,896
Grants - Conditional	-	-	28,992	4,754	-	-	-	33,746
Grants - Capital	-	-	82,828	157,797	-	-	-	240,625
Total Revenues	101,991	481,123	252,787	163,401	4,856	1,660	-	1,005,818
Expenses (Schedule 3)								
Wages and benefits	153,718	1,775	219,267	-	-	-	-	374,760
Professional/Contractual services	65,303	33,569	70,687	16,005	2,887	43,231	-	231,682
Utilities	6,610	9,699	16,434	-	-	-	-	32,743
Maintenance, materials and supplies	21,720	115,431	336,125	15,089	-	-	480	488,845
Grants and contributions	1,000	-	-	-	-	9,957	-	10,957
Amortization of Tangible Capital Assets	630	-	193,348	-	-	3,945	-	197,923
Total Expenses	248,981	160,474	835,861	31,094	2,887	57,133	480	1,336,910
Surplus (Deficit) by Function	\$ (146,990)	\$ 320,649	\$ (583,074)	\$ 132,307	\$ 1,969	\$ (55,473)	\$ (480)	\$ (331,092)
			2024					
Surplus (Deficit) by Function			\$ (331,092)					
Taxes and other unconditional revenue (Schedule 1)			1,197,710					
Rounding			-					
Net Surplus (Deficit)			\$ 866,618					

The accompanying notes and schedules are an integral part of these statements.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397
Consolidated Schedule of Tangible Capital Assets by Object

(Schedule 6)

As at December 31, 2025

	General Assets		Infrastructure Assets				General/Infrastructure		Total 2025	Total 2024
	Land 2025	Land Improvements 2025	Buildings 2025	Vehicles 2025	Machinery & Equipment 2025	Linear Assets 2025	Assets Under Construction 2025	Total 2025		
Asset cost										
Opening Asset costs	\$ 296,961	\$ -	\$ 383,153	\$ 26,794	\$ 1,773,503	\$ 3,042,854	\$ 716,073	\$ 6,239,338	\$ 5,431,604	
Additions during the year	2,500	-	-	-	71,423	-	27,118	101,041	1,251,651	
Disposals and write-downs during the year	-	-	-	-	(54,362)	-	-	(54,362)	(443,917)	
Transfers (from) assets under construction	-	-	-	-	-	731,020	(731,020)	-	-	
Rounding	-	-	(1)	-	(1)	-	1	(1)	-	
Closing Asset Costs	299,461	-	383,152	26,794	1,790,563	3,773,874	12,172	6,286,016	6,239,338	
Accumulated Amortization Cost										
Opening Accumulated Amortization costs	-	-	44,370	6,316	344,906	1,238,348	-	1,633,940	1,835,315	
Add: Amortization taken	-	-	8,729	2,679	171,913	52,850	-	236,171	197,923	
Less: Accumulated amortization on disposals	-	-	-	-	(17,617)	-	-	(17,617)	(399,298)	
Rounding	-	-	-	-	1	-	-	1	-	
Closing Accumulated Amortization	-	-	53,099	8,995	499,203	1,291,198	-	1,852,495	1,633,940	
Net Book Value	\$ 299,461	\$ -	\$ 330,053	\$ 17,799	\$ 1,291,360	\$ 2,482,676	\$ 12,172	\$ 4,433,521	\$ 4,605,398	

1. Total contributed/donated assets received in 2025 \$2,500

2. List of assets recognized at nominal value in 2025 are:

- Infrastructure Assets \$nil
- Vehicles \$nil
- Machinery and Equipment \$nil
- Amount of interest capitalized in Schedule 6 \$nil

The accompanying notes and schedules are an integral part of these statements.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397
 Consolidated Schedule of Tangible Capital Assets by Function
 As at December 31, 2025

(Schedule 7)

	General Government 2025	Protective Services 2025	Transportation Services 2025	Environmental & Public Health 2025	Planning & Development 2025	Recreation & Culture 2025	Water & Sewer 2025	Total 2025	Total 2024
Asset cost									
Opening Asset costs	\$ 90,513	\$ 237,079	\$ 4,800,386	\$ 989,963	\$ -	\$ 121,397	\$ -	\$ 6,239,338	\$ 5,431,604
Additions during the year	-	16,805	66,789	17,446	-	-	-	101,040	1,251,651
Disposals and write-downs during the year	-	(25,000)	(29,362)	-	-	-	-	(54,362)	(443,917)
Rounding	-	-	-	-	-	-	-	-	-
Closing Asset Costs	90,513	228,884	4,837,813	1,007,409	-	121,397	-	6,286,016	6,239,338
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	1,260	-	1,623,568	3,249	-	5,863	-	1,633,940	1,835,316
Amortization	630	10,891	219,991	1,625	-	3,035	-	236,172	197,923
Less: Accumulated amortization on disposals	-	-	(17,617)	-	-	-	-	(17,617)	(399,298)
Rounding	-	-	-	-	-	-	-	-	(1)
Closing Accumulated Amortization Costs	1,890	10,891	1,825,942	4,874	-	8,898	-	1,852,495	1,633,940
Net Book Value	\$ 88,623	\$ 217,993	\$ 3,011,871	\$ 1,002,535	\$ -	\$ 112,499	\$ -	\$ 4,433,521	\$ 4,605,398

The accompanying notes and schedules are an integral part of these statements.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397
Consolidated Schedule of Intangible Capital Assets by Object
As at December 31, 2025

(Schedule 8)

	Total 2025	Total 2024
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SCHEDULE 8 IS NOT RELEVANT FOR THIS MUNICIPALITY.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Consolidated Schedule of Intangible Capital Assets by Function

(Schedule 9)

As at December 31, 2025

	2025	2024
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SCHEDULE 9 IS NOT RELEVANT FOR THIS MUNICIPALITY.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397

Consolidated Schedule of Accumulated Surplus

(Schedule 10)

As at December 31, 2025

	2024	Changes	2025
UNAPPROPRIATED SURPLUS	\$ 1,252,343	\$ 239,880	\$ 1,492,223
APPROPRIATED RESERVES			
Future Expenditure/Capital	16,507	20,000	36,507
Grader	150,000	135,000	285,000
Public Reserve	8,131	800	8,931
Lakeview playground	72	140	212
Bridge	24,662	260,165	284,827
CCBF (Gas Tax)	14,793	(33,161)	(18,368)
Contingency	50,000	3,735	53,735
Developmental levy	6,450	-	6,450
Fire Protection Agency	167,864	(13,215)	154,649
Fire Protection Agency TCA Value with Village of Archerwill	237,079	(19,086)	217,993
Road construction	115,012	10,000	125,012
Lagoon	97,817	(97,817)	-
Landfill	74,020	(49,500)	24,520
Total Appropriated	962,407	217,061	1,179,468
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets <i>(Schedule 6, 7)</i>	4,605,398	(171,877)	4,433,521
Intangible capital assets <i>(Schedule 8, 9)</i>	-	-	-
Less: Related debt	-	-	-
Net Investment in Tangible Capital Assets	4,605,398	(171,877)	4,433,521
Accumulated Surplus (Deficit)			
excluding remeasurement gains (losses)	\$ 6,820,148	\$ 285,064	\$ 7,105,212

The accompanying notes and schedules are an integral part of these statements.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397
Schedule of Mill Rates and Assessments
As at December 31, 2025

(Schedule 11)

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	113,132,230	14,555,165	-	20,022,300	7,353,435	-	155,063,130
Regional Park Assessment	-	-	-	-	-	-	-
Total Assessment	113,132,230	14,555,165	-	20,022,300	7,353,435	-	155,063,130
Mill Rate Factors:							
Agriculture = 0.85							
Residential = 1.15							
Commercial = 0.85							
Total Base/Minimum Tax							
(generated for each property class)	4,050	13,150	-	-	350	-	17,550
Ad valorem and special levies	671,840	110,831	-	161,115	43,521	-	987,307
Total Municipal Tax Levy	675,890	123,981	-	161,115	43,871	-	1,004,857
(include base and/or minimum tax and special levies)							
MILL RATES:							
Average Municipal *							= 6.4804 mills
Average School *							= 2.0349 mills
Potash Mill Rate							= n/a
Uniform Municipal Mill Rate							= 7.0 mills

* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority).

The accompanying notes and schedules are an integral part of these statements.

RURAL MUNICIPALITY OF BARRIER VALLEY NO 397**Schedule of Council Remuneration****(Schedule 12)****As at December 31, 2025**

	Remuneration	Reimbursed Costs	Total
Reeve Wayne Black	5,349	3,131	8,480
Councillor - Lyle Bakken	2,065	226	2,291
Councillor - Marlene Carlson	2,800	254	3,054
Councillor - Kent Knudson	2,375	847	3,222
Councillor - Rick Bussell	2,057	402	2,459
Councillor - Doreen Seilstad	2,175	777	2,952
Councillor - Dwayne Sharpen	1,850	634	2,484
Councillor - Donald Reed	2,668	210	2,878
Total	21,339	6,481	27,820

Total
2025

SCHEDULE 13 IS NOT RELEVANT TO THIS MUNICIPALITY.